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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUN 26 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
 CHAPARRAL CITY WATER COMPANY FOR A
 DETERMINATION OF THE CURRENT FAIR
 VALUE OF ITS UTILITY PLANT AND
 PROPERTY AND FOR INCREASE IN ITS RATES
 AND CHARGES BASED THEREON.

DOCKET NO. W-02113A-13-0118

PROCEDURAL ORDER

ORIGINAL

BY THE COMMISSION:

On April 26, 2013, Chaparral City Water Company ("CCWC" or "Company") filed the above-captioned rate application with the Arizona Corporation Commission ("Commission").

On June 20, 2014, the Commission issued Decision No. 74568, authorizing new rates for CCWC.

It has come to the attention of the Commission's Hearing Division that the rate design set forth in Exhibit C to Decision No. 74568 does not properly reflect the Decision's authorized revenue requirement. Upon review, it appears that the monthly minimum charges and commodity charges in the rate design set forth in Exhibit C to Decision No. 74568 require correction due to a clerical error that resulted in the development of a rate design that produces approximately \$273,000 less revenue than the Decision authorized, and that a Recommended Order *Nunc Pro Tunc* to correct the monthly minimum charges and commodity charges in the rate design appearing in Exhibit C to Decision No. 74568 is necessary as follows:

MONTHLY MINIMUM CHARGE (All Classes):

3/4" Meter	\$	20.40
3/4" Meter Residential Low Income		12.90
1" Meter		34.75
1" Meter Residential Low Income		27.25
1 1/2" Meter		69.25
2" Meter		111.00
3" Meter		222.00
4" Meter		346.75

1	6" Meter	693.50
2	8" Meter	1,109.75
3	10" Meter	1,595.25
4	12" Meter	2,982.50

Fire Sprinkler Service - All Meter and Valve Sizes *

* 2.00 percent of monthly minimum for a comparable size meter connection, but no less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

COMMODITY CHARGE – Per 1,000 Gallons:

3/4-Inch Meter – Residential and Commercial

0 gallons to 3,000 gallons	\$	2.45
3,001 gallons to 9,000 gallons		3.65
Over 9,000 gallons		4.50

1-Inch Meter – Residential and Commercial

0 gallons to 24,000 gallons	\$	3.65
Over 24,000 gallons		4.50

1 1/2-Inch Meter – Residential and Commercial

0 gallons to 60,000 gallons	\$	3.65
Over 60,000 gallons		4.50

2-Inch Meter – Residential and Commercial

0 gallons to 100,000 gallons	\$	3.65
Over 100,000 gallons		4.50

3-Inch Meter – Residential and Commercial

0 gallons to 225,000 gallons	\$	3.65
Over 225,000 gallons		4.50

4-Inch Meter – Residential and Commercial

0 gallons to 350,000 gallons	\$	3.65
Over 350,000 gallons		4.50

6-Inch Meter – Residential and Commercial

0 gallons to 725,000 gallons	\$	3.65
Over 725,000 gallons		4.50

8-Inch Meter – Residential and Commercial

0 gallons to 1,125,000 gallons	\$	3.65
Over 1,125,000 gallons		4.50

10-Inch Meter – Residential and Commercial

0 gallons to 1,500,000 gallons	\$	3.65
Over 1,500,000 gallons		4.50

12-Inch Meter – Residential and Commercial

0 gallons to 2,250,000 gallons	\$	3.65
Over 2,250,000 gallons		4.50

Irrigation, Hydrants and Fire Sprinklers

All Usage	\$	3.65
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On June 25, 2014, CCWC filed a Request for Order *Nunc Pro Tunc* ("Request"). CCWC states that based on its review of Decision No. 74568, the rate design under-recovers the Decision's authorized revenue by approximately \$250,000. CCWC states that if an Order *Nunc Pro Tunc* correcting the errors is considered and approved at the Commission's July 22-23 Open Meeting, CCWC will not request a surcharge to address the shortfall in revenue stemming from the incorrect rate design in Exhibit C to Decision No. 74568. CCWC requests that the Order *Nunc Pro Tunc* specify that the corrected rates will become effective immediately upon its effective date, and that the revised rates will apply to "all bills issued after such effective date." That specification will appear in the Recommended Order *Nunc Pro Tunc*.

The Request states that Exhibit C to Decision No. 74568 does not include the \$0.0573 per thousand gallons charge in the third tier commodity charge for residential and commercial customers to fund the low income program. CCWC requests that the \$0.0573 be delineated separately in the rate design. While Exhibit C to Decision No. 74568 included an error to the overall rate design revenue, the \$0.0573 was included in the calculation of the third tier commodity rate, as stated in Decision No. 74568 at pages 40 and 60-61, and is also included in the rate design set forth in this Procedural Order. The lack of a separately-delineated low income recovery item within the third tier commodity rate was not due to a clerical error, so the delineation would therefore not appropriately be included in an Order *Nunc Pro Tunc*. However, CCWC may choose to bifurcate the \$0.0573 from the remaining third tier commodity rate amount when it files its conforming tariff following the issuance of an Order *Nunc Pro Tunc*, or may otherwise indicate on its tariff that the third tier commodity rate includes a \$0.0573 per thousand gallons charge in the third tier commodity rate to fund the low income program.

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The Request points out typographical errors appearing in Exhibit C to Decision No. 74568 in regard to the incorrect designation of "All Classes" as opposed to the correct designation "Residential and Commercial Classes," and states that "Irrigation and Hydrants – All Meter Sizes" should be corrected to "Irrigation, Hydrants and Fire Sprinklers." Those typographical errors will be corrected in the Recommended Order *Nunc Pro Tunc*.

The Request also points out a typographical error appearing in Exhibit C to Decision No. 74568 in regard to the Service Line Charge for the 1 1/2 inch meter, which should read \$470 instead of \$570. That typographical error will be corrected in the Recommended Order *Nunc Pro Tunc*.

The parties should have an opportunity to review the corrected rate design set forth above, and file any comments thereto, prior to the issuance of a Recommended Order *Nunc Pro Tunc*.

IT IS THEREFORE ORDERED that parties to this docket shall file comments regarding the corrected rate design set forth above on or before June 27, 2014 at 4:00 p.m.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 24th day of June, 2014.


TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 26th day of June, 2014 to:

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